

PAPERWORK REDUCTION ACT SUBMISSION

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20503.

USCG-2003-14779-4

1. Agency/Subagency originating request Dept. of Homeland Security/US Coast Guard		2. OMB control number a. <u>1 6 2 5 - 0 0 8 4</u> b. <input type="checkbox"/> None	
3. Type of information collection (check one) a. <input type="checkbox"/> New collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change, of a previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change, of a previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number For b-f, note item A2 of Supporting Statement instructions		4. Type of review requested (check one) a. <input type="checkbox"/> Regular submission b. <input type="checkbox"/> Emergency - Approval requested by: <u> </u> / <u> </u> / <u> </u> c. <input type="checkbox"/> Delegated 5. Small entities. Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input type="checkbox"/> No	
7. Title International Safety Management Code Audit Reports [Formerly 2115-0630]		6. Requested expiration date a. <input type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other Specify: <u> </u> / <u> </u>	
8. Agency form number(s) (if applicable) n/a			
9. Keywords Audit, ISM, Marine safety, Safety management code, Vessel			
10. Abstract This information is used to determine the compliance status of U.S. vessels, subject to SOLAS 74, engaged in international trade. Organizations recognized by the Coast Guard conduct ongoing audits of vessels' and companies' safety management systems. Respondents are vessel owners and operators and recognized organizations.			
11. Affected public (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Individuals or households b. <input checked="" type="checkbox"/> Business or other for-profit c. <input type="checkbox"/> Not-for-profit institutions d. <input type="checkbox"/> Farms e. <input checked="" type="checkbox"/> Federal Government f. <input type="checkbox"/> State, Local or Tribal Gov't		12. Obligation to respond (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Voluntary b. <input checked="" type="checkbox"/> Required to obtain or retain benefits c. <input type="checkbox"/> Mandatory	
13. Annual reporting and recordkeeping hour burden a. Number of respondents <u>134</u> b. Total annual responses <u>2,418</u> 1. Percentage of these responses collected electronically <u>0</u> % c. Total annual hours requested <u>8,440</u> d. Current OMB inventory <u>3,650</u> e. Difference <u>+ 4,790</u> f. Explanation of difference 1. Program change 2. Adjustment <u>+ 4,790</u>		14. Annual reporting and recordkeeping cost burden (in thousands of dollars) a. Total annualized capital/startup costs b. Total annual costs (O&M) c. Total annualized cost requested d. Current OMB inventory e. Difference f. Explanation of difference 1. Program change 2. Adjustment	
15. Purpose of information collection (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Application for benefits b. <input type="checkbox"/> Program evaluation c. <input type="checkbox"/> General purpose statistics d. <input type="checkbox"/> Audit e. <input type="checkbox"/> Program planning or management f. <input type="checkbox"/> Research g. <input checked="" type="checkbox"/> Regulatory or compliance		16. Frequency of recordkeeping or reporting (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping b. <input checked="" type="checkbox"/> Third party disclosure c. <input checked="" type="checkbox"/> Reporting 1. <input type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input checked="" type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe)	
17. Statistical methods Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact (person who can best answer questions regarding the content of this submission) Name: <u>Mr. David Du Pont</u> Phone: <u>202-267-0971</u>	

Supporting Statement for International Safety Management Code Audit Reports

A. Justification.

1) Circumstances that make the collection of information necessary.

The implementation of the International Safety Management (ISM) Code on U.S. vessels subject to the International Convention for the Safety of Life at Sea, as amended (SOLAS 74/88) is mandated by section 602 of the Coast Guard Authorization Act of 1996. The statute requires that U.S. shipping companies and their vessels possess Safety Management Certificates (SMC) and Documents of Compliance (DOC), respectively, as outlined in the ISM Code. Information showing the compliance status of U.S. vessels in international trade must be provided to the Coast Guard by organizations recognized by them. Three classification societies possess this recognition. 33 CFR, Part 96 sets the rules for the safe operation of vessels and safety management systems.

This information collection supports the following strategic goals:

Coast Guard

- Safety
- Protection of the Natural Resources

Marine Safety, Security and Environmental Protection Directorate (G-M)

- Safety: Eliminate deaths, injuries, and property damage associated with commercial maritime operations.
- Human and Natural Environment: Eliminate environmental damage associated with maritime transportation and operations on and around the nation's waterways.

2) By whom, how, and for what purpose the information is to be used.

Information describing companies' and vessels' compliance with the ISM Code must be verified by the Coast Guard. Information must be collected to determine the compliance status of U.S. vessels, subject to SOLAS 14/83, engaged in international trade. Ongoing audits of vessels' and companies' safety management systems which impacts the SMC and DOC status are conducted by organizations recognized by the Coast Guard. Collecting the information ensures that vessels will not be delayed or detained while conducting international commerce. When visiting foreign ports, these certificates attest that the vessel meets applicable requirements of Chapter IX of SOLAS 73/88 to the satisfaction of the organization recognized by the Coast Guard to issue ISM certificates. Without compliance, American flag ships could be detained and/or harassed as being "unsafe." Unless sooner returned or revoked, these certificates are valid for five years. "Interim" SMCs and DOCs are valid for six months and 12 months respectively. Interim certificates may be issued to companies/vessels that are new or newly acquired. Collection is necessary when the status of the certificate changes.

3) Consideration of the use of improved information technology.

At present, the classification societies do not have the ability to send in reports electronically, but they do have a new system that will give surveyors the abilities to do reports on laptops and send directly to the home office. However, this system will be operational in the near future.

We estimate that when the system is completely on-line 100% of the reporting and recordkeeping requirements can be done electronically.

4) Efforts to identify duplication. Why similar information cannot be used.

The Coast Guard established specific criteria for organizations to be recognized to act in its behalf. Presently, only three classification societies are, authorized to issue ISM certificates: America Bureau of Shipping, Germanischer Lloyd and Det Norske Veritas. Close contact and continuous communication with these organizations ensure that no duplication occurs.

5) Methods to minimize the burden to small business if involved.

These regulations simplify the application of the ISM Code to small entities. The method that we are using requires minimal additional reporting for small entities.

6) Consequences to the Federal program if collection were conducted less frequently.

Without current information, the possibility of vessels being delayed or operating under unsafe conditions increases.

7) Explain any special circumstances that would cause the information collection to be conducted in a manner inconsistent with guidelines.

As noted in paragraph 2, ISM certificates are valid for five years and must be carried on board vessels to which they apply in order to show compliance with national and international regulations (the Document of Compliance certificates held on board vessels may be photocopies).

8) Consultation.

The regulations to implement the ISM Code on U.S. vessels subject to SOLAS were developed using the Federal rulemaking process. An NPRM was published that provided a 90-day period for public comment. Four public meetings were held by the Coast Guard to ensure that the U.S. public and the maritime industry understood the requirements of the ISM Code. Additionally, a working group advised the Coast Guard and expressed industry concerns prior to publishing the NPRM.

9) Explain any decision to provide any payment or gift to respondents.

There is no payment to respondents.

10) Describe any assurance of confidentiality provided to respondents.

There is no assurance of confidentiality but the results of internal and external audits are proprietary information and will be treated as such.

11) Additional justification for any questions of a sensitive nature.

Not applicable.

12) Estimates of reporting and recordkeeping hour and cost burdens of the collection of information.

The reporting and recordkeeping burden will be imposed only on those vessels required to comply with the ISM Code. The specific recordkeeping requirements in the ISM Code are an international standard. The regulations themselves prescribe no additional recordkeeping on the companies or classification societies. The estimated reporting information was obtained from a sample of participating companies and classification societies. The frequency of response varies since the requirements are based on parameters established in individual safety management systems. Also, the complexity of the safety management system is based on the type and number of vessels operated. The number of vessels of each type that currently hold Safety Management Certificates are listed in the following table:

Vessel Type	Vessels
Tankers	114
Passenger	111
Freight	241
Tugs	14
OSV	75
MODU	2
TOTAL	557

In July, 2002, freight vessels and self-propelled MODUs were required to comply with the ISM code. The vessels are owned by 131 separate entities. The affected population is not expected to experience any significant increase or decrease in the next 3 years.

It is estimated that the companies responsible for the vessels listed above will use classification societies to attain the required ISM certificates. Hence, **the total number of annual respondents is 134**, comprised of the 131 companies that own the vessels subject to the International Convention for the Safety of Life at Sea, as amended (SOLAS 74/88), and the 3 classification societies.

The total number of annual responses is 2,418 = $2 \times 131 + 2 \times 557 + 1 \times 557 + 0.4 \times 557 + 2 \times 131$

12-1. Vessel ISM audit reports.

# of Audits per year	Time Requirements		# of Companies	Total # of Annual hours
	Time to Complete Audit Reports	Time to Review Audit Reports		
2	x (1	+ 3)	x 131	= 1,048

+

# of Audits per year	Time Requirements		# of Vessels	Total # of Annual hours
	Time to Complete Audit Reports	Time to Review Audit Reports		
2	x (2	+ 3)	x 557	= 5,570

Total Annual Hour burden (1,048 hrs+ 5,570hrs)

= **6,618 hours**

Total Annual Cost Burden:

Total Hour Burden X hourly rate (O-3 outside)
6,618 hr X \$50/hr

= cost
= **\$330,900**

[Note: The hourly rates are from COMDTINST 73101.1F. When the cost is borne by the Coast Guard, within government rate was used. When the work was performed by a non-government employee, outside government rate was used.]

12-2. Classification societies process (vessel audit) information.

# of Audits per year	Time Requirements	# of Vessels	Total # of Annual hours
1 x	2 x	557 =	1,114

Total Annual Hour burden = **1,114 hours**

Total Annual Cost Burden:

Total annual hour burden X hourly rate (E-3 outside) = cost
 1,114 hours X \$21/hr (E-3) = **\$23,394**

12-3. Classification societies complete audits, audit reports and review ISM audit reports to determine compliance with the ISM Code. Consider two vessel-audits in five years and one company-audit yearly.

# of Audits per year	Time Requirements	# of Vessels	Total # of Annual hours
0.4 x	2 x	557 =	445.6

+

# of Audits per year	Time Requirements	# of Companies	Total # of Annual hours
1 x	2 x	131 =	262

Total Annual Hour Burden (446hrs + 262hrs) = **708 Hrs**

Total Annual Cost Burden:

Total Hour Burden X hourly rate (E-5 outside) = cost
 708 hours X \$50/hr (O-3) = **\$35,400**

Total Annual Industry Hour Burden (6,618 hrs +1,114 hrs +708 hrs) = 8,440hrs

Total Annual Industry Costs (\$330,900 + \$23,394 + \$35,400) = \$389,694

13) Estimates of annualized capital and start-up costs.

There are no start-up recordkeeping costs to the respondents.

14) Estimates of annualized Federal Government costs.

Government costs will come from a Coast Guard officer (O-3) who will review vessel ISM audit reports as well as classification society printouts to determine compliance with ISM Code—

14.1 Review of vessel ISM audit reports.

Hour Burden:

# of Audits per year		Time Requirements		# of vessels		Total # of Annual hours
0.4	x	2	x	557	=	445.6

Total Annual Hour Burden

= 446 Hours

Total Annual Cost Burden:

Total Hour Burden X hourly rate
 446 hours X \$43/hr (O-3)

= cost
= \$19,178

14-2. Review of classification society audits.

Hour Burden:

# of Audits per year		Time Requirements		# of vessels		Total # of Annual hours
1	x	1	x	131	=	131

Total Annual Hour Burden

= 131 Hours**Total Annual Cost Burden:**

Total Hour Burden X hourly rate
 131 hours X \$43 (O-3 inside)

= cost
= \$5,633

Total Annual Government Time Burden (446 + 131)**= 577 hours****Total Annual Government Cost (\$19,178 + \$5,633)****= \$24,811**15) Explain the reasons for the change in burden.

We have adjusted the population estimate to reflect up to date figures.

16) For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis and publication.

There are no plans to use statistical analysis or to publish this information.

17) Explain the reasons for seeking not to display the expiration date for OMB approval of the information collection.

Not applicable.

18) Explain each exception to the certification statement.

Not applicable.

B. Collection of Information Employing Statistical Methods.

Not applicable.